

Internal Revenue Service, Treasury

§ 301.7701(i)-1

shall be excluded for individuals described in § 301.7701(b)-3(b)(5) (professional athletes).

(4) *Procedural rules and filing requirements.* The procedural rules and filing requirements described in §§ 301.7701(b)-7(b) and 301.7701(b)-8 shall apply to taxable years beginning after December 31, 1991.

(5) *Possessions and territories.* For purposes of applying section 7701(b) and the regulations under that section, § 301.7701(b)-1(d) applies to taxable years ending after April 9, 2008.

[T.D. 8411, 57 FR 15253, Apr. 27, 1992, as amended by T.D. 9391, 73 FR 19377, Apr. 9, 2008]

§ 301.7701(i)-0 Outline of taxable mortgage pool provisions.

This section lists the major paragraphs contained in §§ 301.7701(i)-1 through 301.7701(i)-4.

§ 301.7701(i)-1 Definition of a taxable mortgage pool.

- (a) Purpose.
- (b) In general.
- (c) Asset composition tests.
 - (1) Determination of amount of assets.
 - (2) Substantially all.
 - (i) In general.
 - (ii) Safe harbor.
 - (3) Equity interests in pass-through arrangements.
 - (4) Treatment of certain credit enhancement contracts.
 - (i) In general.
 - (ii) Credit enhancement contract defined.
 - (5) Certain assets not treated as debt obligations.
 - (i) In general.
 - (ii) Safe harbor.
 - (A) In general.
 - (B) Payments with respect to a mortgage defined.
 - (C) Entity treated as not anticipating payments.
 - (d) Real estate mortgages or interests therein defined.
 - (1) In general.
 - (2) Interests in real property and real property defined.
 - (i) In general.
 - (ii) Manufactured housing.
 - (3) Principally secured by an interest in real property.
 - (i) Tests for determining whether an obligation is principally secured.
 - (A) The 80 percent test.
 - (B) Alternative test.
 - (ii) Obligations secured by real estate mortgages (or interests therein), or by com-

binations of real estate mortgages (or interests therein) and other assets.

- (A) In general.
- (B) Example.
- (e) Two or more maturities.
 - (1) In general.
 - (2) Obligations that are allocated credit risk unequally.
- (3) Examples.
- (f) Relationship test.
 - (1) In general.
 - (2) Payments on asset obligations defined.
 - (3) Safe harbor for entities formed to liquidate assets.
- (g) Anti-avoidance rules.
 - (1) In general.
 - (2) Certain investment trusts.
- (3) Examples.

§ 301.7701(i)-2 Special rules for portions of entities.

- (a) Portion defined.
- (b) Certain assets and rights to assets disregarded.
 - (1) Credit enhancement assets.
 - (2) Assets unlikely to service obligations.
- (3) Recourse.
- (c) Portion as obligor.
 - (1) In general.
 - (2) Example.

§ 301.7701(i)-3 Effective dates and duration of taxable mortgage pool classification.

- (a) Effective dates.
- (b) Entities in existence on December 31, 1991.
 - (1) In general.
 - (2) Special rule for certain transfers.
- (3) Related debt obligation.
- (4) Example.
- (c) Duration of taxable mortgage pool classification.
 - (1) Commencement and duration.
 - (2) Testing day defined.

§ 301.7701(i)-4 Special rules for certain entities.

- (a) States and municipalities.
 - (1) In general.
 - (2) Governmental purpose.
 - (3) Determinations by the Commissioner.
- (b) REITs. [Reserved]
- (c) Subchapter S corporations.
 - (1) In general.
 - (2) Portion of an S corporation treated as a separate corporation.

[T.D. 8610, 60 FR 40088, Aug. 7, 1995]

§ 301.7701(i)-1 Definition of a taxable mortgage pool.

(a) *Purpose.* This section provides rules for applying section 7701(i), which defines taxable mortgage pools. The purpose of section 7701(i) is to prevent income generated by a pool of real estate mortgages from escaping Federal